

Stople.com

Slogan - Tell us what you want and we get it for you

1. Introduction

Stople.com is an innovative business model aimed to bring every merchant on the street (whether big or small) in the city of Mumbai online for free and thereby web-enable him with zero infrastructure setup at his end. The need for such a model arose from the fact that when the idea of e-shopping strikes the mind, then the internet is ruled by e-retailers or big-size merchants who can afford to pay for the costs of website designing, hosting and the required e-commerce infrastructure. However the innovative idea behind Stople.com is to bring even those small sized merchants on the street from whom you buy your daily grocery, stationary or other day-to-day goods but who aren't online as yet for reasons of not being internet savvy or lacking the funds to do so. This model which is based on the Search-Order-Process-Home Deliver paradigm is targeted especially in the Indian context starting with a city like Mumbai where there are possibly thousands of unlisted merchants on the street who have the goods but not the means to reach the masses. The problems that are currently visible in a typical daily shopping scenario are as follows :

When people move out for shopping they rarely have a clue of where precisely their required goods can be found both at the nearest distance and at the lowest price. Stople.com eliminates this with its intelligent Integrated Merchant Search Engine (IMSE) which can be queried not only from the internet through your home PC but also on the move through mobile devices in the form of its WAP/GPRS extension or Query by SMS. Now let's say you are looking for something like a second hand mobile phone to buy. Your first action is to go searching from shop to shop enquiring about the price at which this mobile device is available. This takes around an hour or so. Then you shortlist some shops and finally bargain to get what you want. The whole process can be quite tiresome and agonizing if at the end of it all you aren't satisfied with what you got. However with Stople.com the customer has plenty of options to get his mobile phone in the shortest amount of time at the best possible price. The fundamental idea revolves around being user-centric with the ultimate motivation being 'Tell us what you want and we get it home-delivered'

2. The Genesis & Personal Motivation

This entrepreneurial idea first struck me when I was in a local general merchandise store and was doing my daily shopping. I had a PDA with me and was toiling around with it in the store. The owner of the store knows me from being a student in the field of Information Technology and I guess he always was fascinated with technology. Then suddenly he approached me and said "I want to get online !". For a moment, I was confounded but I held my poise and only said "You will someday". That day I sat up all night trying to build some model which could bring my desperate merchant online. I found that getting merchants online has to involve minimum or no expenditure at their end considering that in the city of Mumbai it would only be the big-size retailers who could afford the technology. So I came up with Stople.com, a model which could bring each of these small merchants online for free.

This document isn't about going out there and actually implementing this idea, but it provides a foundation of the underlying concepts involved in the model, explains each nuance clearly and provides a list of points to be considered before the designing step is initiated. The drawbacks of the model are also approached with possible solutions suggested. In all this project has been a tremendous learning experience personally for me in terms of conceptualizing a business model, considering possible scenarios, taking into account the resources available, going out there and interacting with actual merchants to understand their needs, preparing a workable idea document such as this one, considering limitations and iterating towards feasible solutions. All in all this one's been my very first entrepreneurial idea which someday might become truly operational.

3. So how does the model work ?

The whole model works in an integrated fashion connecting the Customer, Stople.com, an external Transport Company and the Merchant. Let's see the steps involved in the whole process :

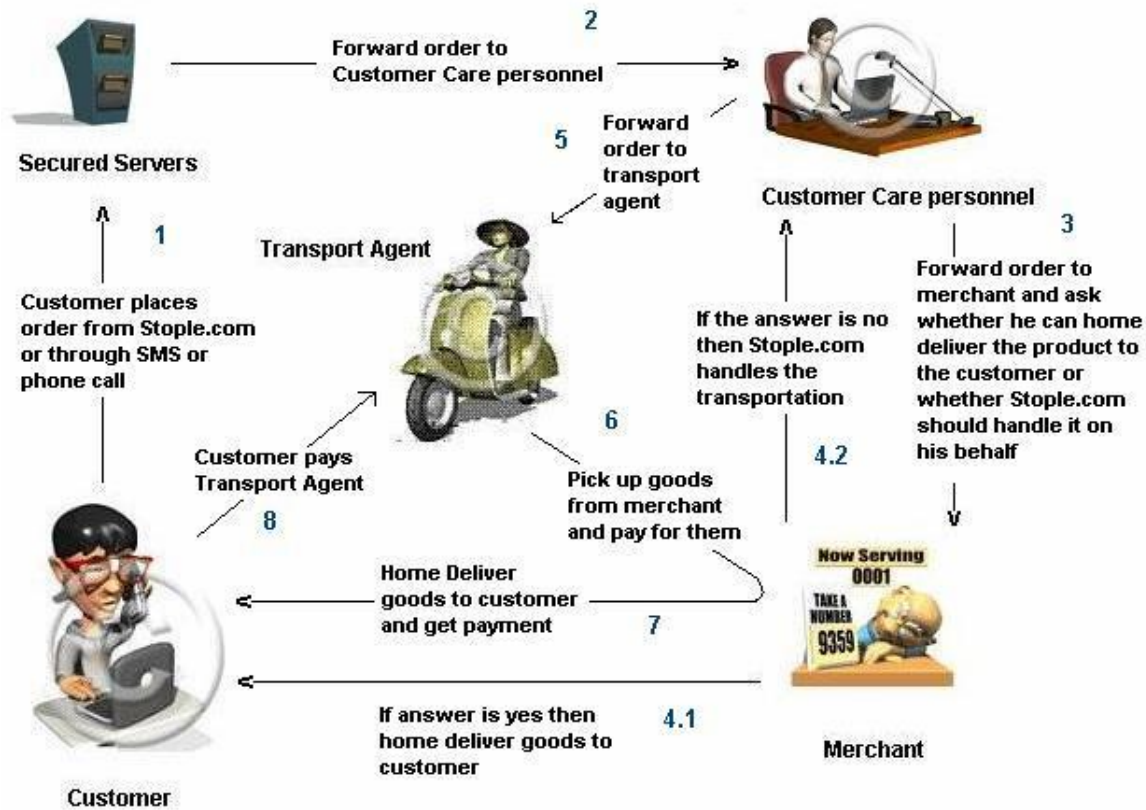


Fig 1.1

1) The Customer has 3 methods to access the services of Stople.com : a) Through the internet (both from a home PC or mobile device through its WAP/GPRS extension) b) By SMS c) By Phone Call. Each of these cases have been explained in detail in the following section. Right now we only assume that the customer has some means of accessing the product searching and order placing services offered by Stople.com. With this assumption in mind the customer enters some query say 'Find all those merchants in the area of Chembur in the city of Mumbai who offer a Samsung television at the best possible price'. Having given this query the customer is offered relevant search results after which he can place an order with Stople.com

2) The order that is placed is next processed by Stople.com's secured servers which forward the order to the Customer Care personnel.

3) Next the personnel forward it to the corresponding merchant either by phone or sms if the merchant is not web-enabled or through email or database forwarding if the merchant is already web-enabled. This forwarding is made possible due to the huge amount of updated merchant-related info such as phone no, email address, location, type of goods sold etc. stored in the Merchant Database in Stople.com's secured servers. Now when the merchant receives a forwarded order from Stople.com he has to respond back to the

company saying whether he can home-deliver the goods directly to the customer or whether Stople.com should handle the home delivery on his behalf. If the latter is true then the company ties up with a transport agent or other company x to transfer goods from the merchant to the customer. This transport agent pays the amount of goods to the merchant and collects the same + and extra transport fee from the customer. The order is now complete and repeats the same for all other orders.

Thus it is a win-win situation for both the customer and the merchant since the first benefits from having his goods home-delivered in the shortest amount of time and the second from becoming a part of the network from which he instantaneously receives orders and has an external company handling his transportation and logistics. The merchant also gets an exposure to a larger customer base than he otherwise would have.

4. Means to place an order

A) Internet

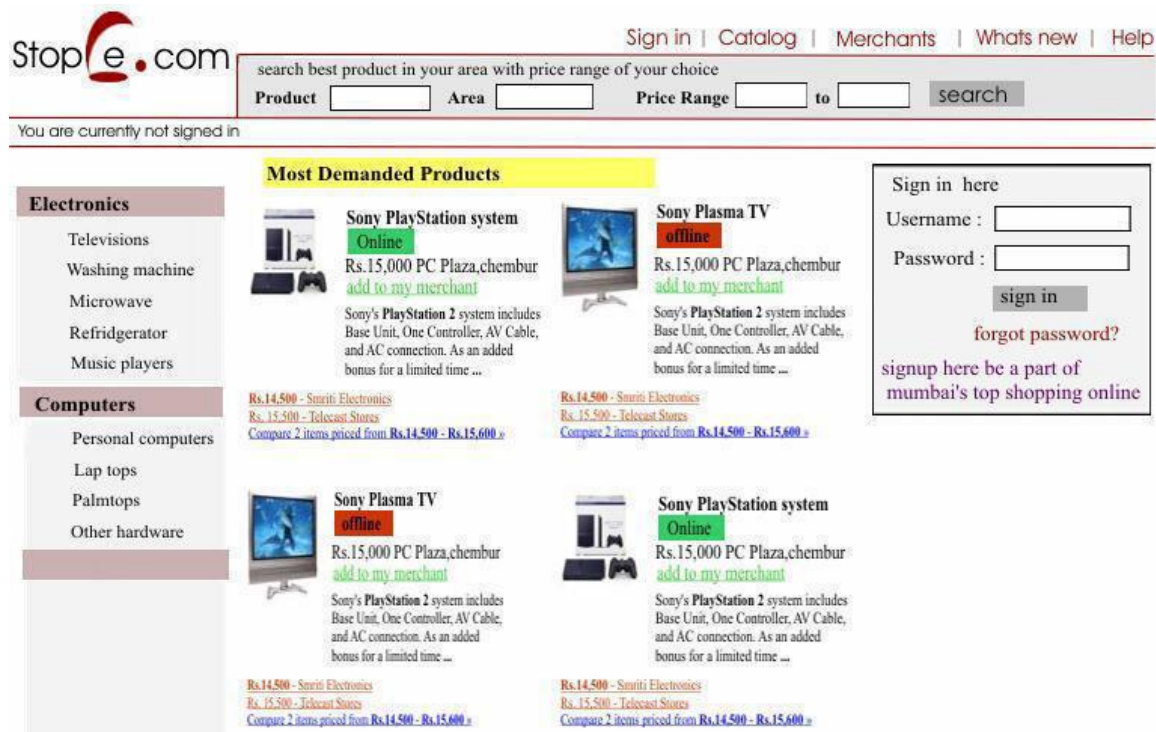


Fig 1.2

The services of Stople.com can be accessed from the website www.stople.com (currently fictitious) either via a home/office PC connected to the internet or through a WAP/GPRS enabled mobile phone. Two separate versions of the site will be made available for both these types of devices from where the customer. Fig. 1.2 shows how the interface would look if accessed from a PC. The mobile device version would be a much constrained version in terms of the user interface but would provide exactly the same functionality in terms of searching for goods and placing orders. The customer will be required to become a member at Stople.com if he wishes to place an order and be offered more services such as 'My Favorite

Merchants', 'My Hotlist', 'My Wishlist', 'Easy Order Deploy' etc or he can stay as an anonymous user if he wants to use only the search functionality.

The Search for a particular product basically takes 3 parameters consisting of the product name, area and price range. The values in these fields are queried against a backend database and the result format is of the type : Product name, Status of the merchant (Online or Offline), Product price, Merchant Name and Area, Add to my merchant option, Product Description and other suggested merchants with comparative product prices falling within the specified Product range. The Status of the merchant is important from the point of view of whether the order placed by the customer can be immediately processed by the merchant or not. This means that if the merchant's status is set to offline then the order forwarded by Stople.com's Customer Care Center (CCC) will be delayed until that merchant's shop re-opens.

The results that are thus displayed clearly enable the customer to make the right choice by being able to compare different merchants selling the same product at different prices. Thus the number of choices available to the customer increase and he can carefully make an online survey and then place an order. The Website offers different options to the customer to place an order. After selecting a particular product, the customer can either personally phone call the merchant (if online) or SMS him or let Stople.com manage the ordering process. With the first two options the customer has 2 advantages : firstly being able to make a comprehensive search of relevant merchants and getting their contact details, secondly being able to bargain directly with the merchant thereby establishing an end-to-end connectivity between him and the merchant. If either of the first two options are selected then the role of Stople.com is confined strictly to providing a search and merchant database service. However if the third option is selected then its role expands into contacting the merchant and making the actual home-delivery by tying up with an external transport. The number of options that become available to the customer as a result of such a comprehensive user experience greatly enhance his ability to make the right choices regarding every product each time.

The core member services that could be offered are allowing the user to create a personalized 'My Favorite Merchant' list which would be available through the option of 'Add to my merchant' displayed after each product result. This can benefit the user in the form of keeping track of those merchants whom he trusts and have products matching to his tastes and interests. Similarly 'My Hotlist' and 'My Wishlist' would keep track of the most searched for and sought after products respectively. Also the option of quickly placing orders for the same list of everyday products could come in handy in the form of 'Easy Order Deploy'. To provide such member services, the backend database will have to comprise of essentially two types of entries : Details related to keeping track of member preferences and those related to Merchants & their products. As regards to the Search Engine Technology, advanced methods of SQL query processing involving comparison and matching will have to be incorporated.

Accessing Stople.com's services through the Internet is the most comprehensive and user friendly method as compared to either 'Access by SMS' or 'Access by Phone' and would be the preferred mode for the customer to search and order his products. However since the company takes into account the fact that not every other person is net-enabled or trusts the internet for e-commerce transactions, two other modes of access are made available as described in the next sections.

C) SMS

This access mode comes in handy when mobile devices are either not internet-enabled or the latency in accessing mobile web pages is very high. Since the SMS service can be used by every mobile user, providing Stople.com's search and order services in this format was a natural extension. The format for placing an SMS query would take the form : <Product Name, Range, Area, Current customer location>. The first 3 fields are a direct mapping from their internet version. However with SMS an additional option can be supported in the form of specifying the customer's current location which can be used to give search results containing all relevant merchants in the customer's vicinity. After providing an input in the above format, the personnel at Stople.com's Customer Care Center (CCC) feed the received data into the Integrated Merchant Search Engine (IMSE) which is basically the same search technology employed in the internet version and use a mapping software to automatically format the output results in the SMS form : <Product Name 1, Price, Merchant, Distance from customer's location> ; <Product Name 2> <Product

Name 3 ...> etc. Thus an SMS is sent back to the customer displaying the top 5 to 10 relevant matches. If the customer is now happy with the received results then he can decide whether to place an order with Stople.com or get additional merchant details or simply take the walk personally to the merchant. If this is not the case then the customer can make another query which is better streamlined to his specific needs.

C) Phone Call

'Home-Shopping' or 'Delivery at the dial of a number' is what a simple phone call can provide. Hence incorporating this access mode would be beneficial to the customers who are generally housewives and the elderly who prefer to stay back at home and do all the shopping. All the customer has to do is make a simple phone call to Stople.com's Customer Care Centre (CCC) through a toll-free number such as 1800-XXXXXXX either through a landline (if from home) or from a mobile device (if on the move) where the Customer Care personnel are ready to answer his queries 24 X 7. The customer now simply tells the personnel the type and price range of the product he is looking for and/or other merchant details such as 'Merchants within a specific area' or 'Merchants nearest to my home location'. The personnel quickly feed this data into Stople.com's Integrated Merchant Search Engine (IMSE) which essentially queries a by-the-hour updated database of all merchants in various parts of the city who sell different kinds of goods. Once this query has been entered, the IMSE responds with a list of all merchants who satisfy the customer's query say 'Merchants in the area of Chembur, Mumbai who sell a second-hand mobile device in the price range of Rs.1000-2000'. The personnel then read out this list on the phone to the customer after which he can decide whether to place an order or not. The whole process thus becomes as simple as feed-process-output to get the best possible match in the shortest amount of time. If the customer places an order then the process works as detailed in section 2.3 else the call ends and the customer can later on decide whether to personally buy the product or not.

5. Points to ponder

1) Although this model is primarily based on the concept of making a home-delivery to the customer, he can use the technology to query for a particular product or merchant alone. For example, you are on the move and want to locate the nearest merchant who has a new edition of 'Beginner's guide to Java'. Since the Merchant Database at Stople.com's secured servers will be updated frequently it would contain an entry regarding the same. Now the customer can make a phone call or send an SMS to the Customer Care Center (CCC) with his query and get immediate response regarding who is selling the book both at the nearest distance and the best price. The customer need not actually place an order but can use the Integrated Merchant Search Engine (IMSE) alone.

2) Some aspects of this entrepreneurial project need to be looked at with greater detail such as the case of updating the Merchant Database. The question to be asked over here is how often the database should be updated with regards to new merchants entering the arena or the merchant shop itself getting updated with new products and items. To keep an up-to-date track of every such change by the hour would possibly be feasible with two approaches being considered. Either the personnel at Stople.com's Merchant Care Center (MCC) call each merchant every hour and update the corresponding section of the database with his status (online or offline) and new products or the other way round with the merchant periodically calling the MCC to do the same changes. The first approach is much more costly to the company with telephone bills sky-rocketing. Imagine the number of phone calls made if each of the 100 personnel tries to call up about 2 merchants every hour to get their updated details. The solution possibly could be found with the second approach. But the problem of database inconsistency would occur if the merchant forgets to update the company or the shop is closed for a long time. Also this incurs possible overhead on the merchant with he paying for the telephone or SMS bills this time. To make it feasible just the right mix of both the mentioned approaches has to be incorporated so that neither Stople.com nor the merchant suffers from a lot of overhead.

3) Another aspect is of the customer being able to keep track of his orders placed since the end-to-end semantic between him and the merchant is lost if Stople.com is required to play the role of handling all the ordering and transportation procedure. Say the customer places an order for a book with Stople.com's CCC and the order is forwarded to the merchant. However the problem arises if the merchant is available on that

day but can process the order only the next day. For Stople.com the order has been forwarded. If now for some reason the merchant isn't available on the next day, then the order cannot be complete and the customer becoming upset makes a call to the CCC. The CCC personnel inform him that the order was forwarded but can do nothing since the merchant is down. But at least the order status being not fulfilled can be tracked in this situation. Now imagine if Stople.com does not play any part in the logistics. This is the case if the merchant decides that he will do all the home-delivery by himself. In this context once the order has been forwarded to the merchant Stople.com does not keep track of it any further. If the merchant failure occurs in this situation then it is futile of the customer calling up the CCC and enquiring about the placed order.

6. So why isn't Stople.com a reality ?

Firstly, as stated earlier this entrepreneurial idea is more of a personal learning experience than actually going out there and implementing it. The fundamental problem to implementing the model is the lack of financial support being available. Since the whole idea transcends building simply an online portal, substantial funding will be required to setup an actual company where the Customer Care and Merchant Care Centers will have to be established, investment for getting initial data from all merchants and advertising the company will have to be made, tying up with an external transport agent would be another overhead and finally the cost of running and expanding the company.

Apart from the investment alone, there are other subtleties to be considered such will the model actually motivate the people to shop by this new means or will they continue to stick to their existential shopping behaviors. How many people would be willing to pay online through credit card and other means ? If setup will the revenue of the company overcome its working cost ? Such questions can possibly be only answered once the model is implemented and this would involve a high degree of 'Risk Quotient'.

Lastly a lot of time will have to be dedicated at the cost of my education which currently holds a topmost priority. The idea is there, the model looks good, but there are also financial costs, uncertainties and risk factors involved. For now I am just documenting this idea and finding new approaches and solutions each day. To blossom always takes time. Maybe I can someday make Stople.com a reality, Someday !